

CONFIDENTIAL

12/EUR

MEMORANDUM FOR THE RECORD

SUBJECT: Multilateral Meeting with MODs from NE, BE, NO, and DE,
13 May 1981, Conference Room #7, NATO Headquarters

PARTICIPANTS

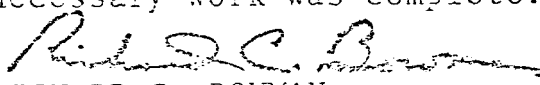
US

Secretary of Defense Weinberger
Ambassador Bennett
Maj. Gen. Bowman
Brig. Gen. Smith

F-16 European Participating
Governments (EPG)

MOD Pieter DeGeus, NE
MOD Frank Swaelen, BE
MOD Thorvald Stoltenberg, NO
MOD Poul Sogaard, DE
and others

(C) R&D Surcharge on the F-16 Program. MOD DeGeus led the discussion for the Europeans. He said that the Europeans considered the F-16 program to be militarily and economically excellent. However, in light of the Canadian F-18 program which waived R&D payments on condition they be applied to the purchase of additional aircraft; the European partners in the F-16 program wondered if something similar could not be approved for them as well. Secretary Weinberger pointed out that the European F-16 program contained a number of good provisions which were not given to the Canadians. Also the Arms Export and Control Act did not provide for waiving the R&D surcharge on a retroactive basis. There would have to be a special appropriation of several hundred million dollars to make such a waiver possible. Weinberger said he was not optimistic about securing such an appropriation, but he was willing to try. Stoltenberg and Sogaard said that if the waiver could be arranged they would like to apply the money to the purchase of other US defense equipment rather than to F-16's. Swaelen said Belgium would apply the money to more F-16's and to high technology munitions for the F-16's. DeGeus said the Netherlands wanted more F-16's. Weinberger suggested that it would be best to include procurement of several different kinds of military systems in order to garner more Congressional support. Gen. Bowman said that Congress went along with the Canadian arrangement because the Canadians increased their own funding the same amount as the US waiver and demonstrated that the result was worthwhile in terms of greater military capability. Weinberger said that if the Europeans could work up a detailed proposal, DOD would prepare authorization legislation in the fall, and the appropriation could be included in the 1983 budget. He said that he would personally take up the matter with some of the Senators. It was agreed that Commodore Hidma would contact Gen. Bowman as soon as the Europeans were ready with a program proposal. It was also agreed that there should be no publicity before the necessary work was complete.


RICHARD C. BOWMAN
Major General, USAF
Director, European & NATO Affairs
OASD/ISP
OSD Review completed